

# THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

18 September 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence  
 FROM : Chairman, National Intelligence Council  
 SUBJECT : Transfer of the NIC to the DCI Area  
 REFERENCE : John McMahon's memo, same subject, 16 Sep 81

1. When the DCI decided to transfer the NIC, I reserved my position on the question of its eventual strength until I had enough experience in the job to form a judgment. I fully agreed then and continue to agree with the DCI and with John that the NIC should not be another competing analysis shop. That said, it is difficult to see how the NIC could carry out its present functions at the level John proposes. I have now concluded that the NIC should be transferred in roughly its present strength.

2. The NIC now has [redacted] (One of these professional positions is in bookkeeping dispute with NFAC/Admin.) Of these, four professionals and two clericals are committed [redacted]

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[redacted] John's concern is specifically with the size of the professional staff, which breaks down as follows:

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Front Office : Chairman  
 Associate Chairman  
 Special Assistant (never filled)  
 Executive Officer  
 Administrative Officer  
 Total 5

NIOs : Regional  
 Military  
 At-Large

STAT

STAT

Assistant NIOs: Regional  
 Military  
 Total

STAT

(The Soviet, Near East, and East Asian NIOs have two assistants each; the others, one.)

Analytic Group: Estimates Officers

on NFAC's books) STAT

Grand Total

STAT

3. As we are agreed on the number of NIOs, the issue comes down to supporting staff. Here John proposes  against our present  A/NIOs  estimates officer, and I would also include the special assistant in the front office). NIC could agree to reduce its total to  by eliminating  for East Asia, which is less active than the other accounts that have  dropping the special assistant, and accepting NFAC's figure for estimates officers. I cannot believe that a failure to reduce the NIC's present strength by  would transform it into a competitive analytic organization, but the loss of those positions would severely weaken the NIC for the following reasons. STAT  
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4. I see no way to reduce the load on the NIOs for the USSR, Near East, Strategic Programs, and General Purpose Forces enough to permit them to function with a single assistant. Thus the issue again reduces itself to an Analytic Group of  estimates officers or one  (I would be more comfortable with ) STAT  
 STAT

5. This is an issue of efficiency and not of principle. In 1979 a review was conducted of NIO system performance since 1973, when the office of National Estimates was disbanded. This review demonstrated that, although the faults of ONE's Estimates Staff were many, its elimination had exposed critical weaknesses in the Community. After 1973 NIOs were expected to seek drafters for each estimate from the agencies of the Community, but:

-- Qualified analysts were often unavailable or, if made available, constantly interrupted in their task by legitimate requirements of their home agencies. This led to unacceptable delays in the production of estimates.

-- Estimative writing requires an ability to project in the absence of evidence and to integrate specific developments across disciplinary and geographic boundaries into broad judgments relevant to US policy. The very size of such organizations as NFAC and DIA places the emphasis on narrow specialization of analysts and their internal culture tends to discourage analysts from developing the desired qualities.

-- NIOs are regularly faced with unanticipatable requirements for quick assessments. This drafting load has fallen almost entirely on NFAC and has been a major factor in disrupting production office research schedules.

-- The NIO organization has often been asked to produce estimates on broad or global issues that cut across the organizational structure of Community agencies.

6. It was therefore decided to create an Analytic Group to support the NIOs. It was to consist of about [ ] officers, chosen for their skills at integrative writing and estimation and their ability to work in a variety of fields. The AG was to provide a reserve of drafters for the NIOs and provide the NIC with a capability to deal both with broad, cross-cutting issues and with the range of unique specialized projects that it must anticipate. The strength figure of [ ] was set as being not so large as to impose bureaucratic restraints on intellectual exchange and yet large enough to provide a "critical mass" of experience and skills. STAT

7. Nothing has happened in the last two years that reduces the need for such a capability. Even at half-strength, the AG has picked up a significant fraction of the estimative load, notably including broad, hard-to-handle issues such as Global Instability; drafting times have been reduced. The arrival of the new Administration has brought a demand for greater consideration of strategic issues in NIEs, an area in which the agencies are weak. Moreover, I have personally found it a great advantage to have the freedom on occasion to recruit the exceptional individual who does not meet the rather rigid criteria of the NFAC offices but who can make a contribution in precisely the areas described above. The reorganization of NFAC will probably serve to break up some of these patterns and its capabilities to draft estimates will gradually grow. Eventually it may be possible for the AG to wither away. I submit, however, that you cannot afford to let this happen now.

8. I therefore recommend that you approve the transfer of the NIC with at least [ ] positions (including an AG of [ ] professionals) and preferably [ ] This includes, provisionally, the [ ] warning positions that you may eventually wish to transfer elsewhere. STAT

[ ]

STAT

Henry S. Rowen

SUBJECT: Transfer of the NIC to the DCI Area (NFAC #5892-81)

C/NIC:  (18 Sep 81)

STAT

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NATIONAL FOREIGN ASSESSMENT CENTER

WASHINGTON, D. C. 20505

Director

16 September 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence  
THROUGH: Chairman, National Intelligence Council  
SUBJECT: Transfer of the NIC to the DCI Area

1. Although the NIC has not transferred de jure, it has in a de facto sense operated independently of NFAC since issuance of the Director's notice on [REDACTED]. The delay in identifying slots, etc., resulted from vacations and the realization that no specific actions were really required until the new Fiscal Year.

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2. My sentiments on the size of the NIC have not changed from my early discussions with you and the Director regarding the separation of the NIC from NFAC. At that time, you may recall, the Director indicated that he desired to establish the NIOs as a handful of people who would be plugged into opinion throughout the Community so that they could respond to him on a moment's notice either with a paper or oral advisory.

3. In responding to the Director's proposal on the NIOs, I noted that in order to ensure NIOs do not grow into another NFAC, support staff and analytical assistants should number no more than [REDACTED] i.e., 12 NIOs, [REDACTED] support staff and analysts plus clericals. I have no reason at this time to change my submission. Those current NIC personnel over and above that number can readily be accommodated in NFAC vacancies.

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STAT

4. As long as we agree on the numbers, the details on specific slots should be easily sorted out.

[REDACTED]

STAT

John N. McMahon